

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

UNITED STATES OF AMERICA, . CASE NO. 1:14-cr-086  
Plaintiff, .  
- vs - . *ARRAIGNMENT and PLEA*  
JOHN R. BULLAR, . Tuesday, September 23, 2014  
Defendant. . 1:55 p.m.  
. . . . . Cincinnati, Ohio

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE MICHAEL R. BARRETT

APPEARANCES

For the Plaintiff:

EMILY N. GLATFELTER, ESQ. (AUSA)  
United States Attorney's Office  
221 East Fourth Street, Suite 400  
Cincinnati, Ohio 45202

For the Defendant:

CANDACE C. CROUSE, ESQ.  
Pinales Stachler Young & Crouse  
455 Delta Avenue, Suite 105  
Cincinnati, Ohio 45226

Also Present: Laurie Cooke, Pretrial Services Officer  
I.R.S. Agent Gordon Amegboh

Courtroom Deputy: Mary Brown

Court Reporter: Maryann T. Maffia, RDR

P R O C E E D I N G S

COURTROOM DEPUTY: Case Number CR-1-14-86: *United States of America versus John Bullar.*

THE COURT: Okay. Counsel want to enter their appearances for the record, please.

MS. GLATFELTER: Emily Glatfelter for the United States, and I'm joined at counsel table by Gordan Amegboh from the IRS.

MS. CROUSE: Candace Crouse on behalf of John Bullar.

THE COURT: Okay.

John, we know each other; right?

THE DEFENDANT: Yes, sir, we do.

THE COURT: And we now know that's a turn-only lane.

THE DEFENDANT: Right.

THE COURT: Anyway, everything got taken care of, so it doesn't cause me any heartburn if it doesn't cause you any.

THE DEFENDANT: It does not. I'm glad it was taken care of, Your Honor.

THE COURT: Okay. All right.

It's my understanding that the intent of counsel today is to proceed with a two-count Information. The first count would be Wire Fraud, a violation of 18 U.S.C. 1343; and the second count would be Engaging in Monetary Transactions Derived from Specified Unlawful Activity, and that would be 18 U.S.C. 1957.

1 Are we all on the same page on that, counsel?

2 MS. GLATFELTER: Yes, Your Honor.

3 MS. CROUSE: Yes, Your Honor.

4 THE COURT: All right.

5 John, the elements of the offense of Wire Fraud, which  
6 would be the 18 U.S.C. 1343, are that you devised a scheme to  
7 defraud in order to obtain money or property, that is, to  
8 defraud investors to obtain money and property by use of false  
9 or fraudulent pretenses, representations and promises; that  
10 there were material misrepresentations made or concealment of  
11 material facts; that there was intent to defraud; and that you  
12 used or caused another to use communications in interstate  
13 commerce in furtherance of that scheme; and that at least part  
14 of that scheme occurred in the Southern District of Ohio.

15 The second count, which is 18 U.S.C. 1957, is that you  
16 knowingly engaged in a monetary transaction; there was money  
17 that was derived from the specified unlawful activity; that  
18 this particular money was more than \$10,000; that you knew  
19 that the money involved in the transaction was derived from  
20 the criminal activity; and, again, that all occurred in the  
21 Southern District of Ohio.

22 So you're aware that those are the charges; is that  
23 correct?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Okay. All right. I'm going to have to

1 ask you a number of questions just to make sure that you  
2 understand what we're doing here today. In order to do that,  
3 you're going to be put under oath. All right?

4 THE DEFENDANT: Uh, huh.

5 THE COURT: That means if you were to say something  
6 to me that was a material misrepresentation, the prosecution  
7 could actually charge you with perjury. But there's no trick  
8 questions. What I'm going to ask you about are your  
9 understanding of what's going on and also the rights that  
10 you're intending to give up by proceeding, first of all, by  
11 Information, and then also by way of plea. Is that fair  
12 enough?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: Could you swear him, please.

15 COURTROOM DEPUTY: Please raise your right hand.

16 (The courtroom deputy administered the oath.)

17 THE DEFENDANT: I do.

18 THE COURT: Okay. John, your middle initial is R; is  
19 that correct?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: And what's that stand for?

22 THE DEFENDANT: Raymond.

23 THE COURT: Raymond. And where did you grow up?

24 THE DEFENDANT: Worthington, Ohio.

25 THE COURT: Worthington, Ohio. How old are you now?

1           THE DEFENDANT:   Fifty-two.

2           THE COURT:   Okay.   And what type of formal -- this  
3 has to do with your ability to understand the Information, the  
4 charge and the agreement.   Tell me a little bit about your  
5 highest level of education.

6           THE DEFENDANT:   I received a Bachelor of Arts from  
7 Wilmington College, just up the road, in 1984.

8           THE COURT:   Okay.

9           THE DEFENDANT:   I did attend Xavier University for  
10 some graduate classes, did not finish that degree as I went on  
11 to work.

12          THE COURT:   Okay.   We have a couple of documents.  
13 One is the Waiver of Indictment and your election to proceed  
14 by Information.   The other is the actual Plea Agreement that's  
15 been arrived at as a result of discussions with your attorney  
16 and the government.   Have you read all of those documents?

17          THE DEFENDANT:   Yes, sir, Your Honor.

18          THE COURT:   Are you able to understand the language  
19 in those documents?

20          THE DEFENDANT:   Yes, Your Honor.

21          THE COURT:   If you had any questions about either the  
22 legalese or what might come as a result of those documents,  
23 did you discuss those with Miss Crouse?

24          THE DEFENDANT:   I did, Your Honor.

25          THE COURT:   Did she satisfactorily answer those

1 questions?

2 THE DEFENDANT: She did, Your Honor.

3 THE COURT: Okay. Now, this other question also  
4 deals with your mental capacity at this time, which is: Have  
5 you ever --

6 It's a long, involved, sort of tongue-twister question  
7 which basically means is your head in the ball game.

8 Have you ever been treated for any mental illness or  
9 substance addictions such that either the presence of a  
10 current condition or the effect of a prior condition or  
11 current treatment makes it difficult for you to understand the  
12 questions that I'm asking you today in court or the  
13 conversations you've had with your lawyer?

14 THE DEFENDANT: No, Your Honor.

15 THE COURT: Okay. You're out on bond, so let me ask  
16 you: Have you had any kind of narcotics, medication, pills,  
17 whether prescription or otherwise, or alcoholic beverages in  
18 the last 24 hours that affects your ability to understand the  
19 proceeding we're engaged in today?

20 THE DEFENDANT: No, Your Honor.

21 THE COURT: All right.

22 Candace, you have had a number of conversations with your  
23 client. Do you have any doubt as to his ability to understand  
24 what we're doing and his competence to engage in the legal  
25 process at this point?

1 MS. CROUSE: I have no doubt, Your Honor. I do  
2 believe he is competent today.

3 THE COURT: Okay.

4 John, do you believe double that Miss Crouse has fully  
5 explained to you the import and ramifications of both Count  
6 One and Count Two?

7 THE DEFENDANT: Yes, sir, I do.

8 THE COURT: And do you think that she has fully  
9 informed you about the facts and circumstances on which the  
10 government has based these charges and the type of evidence  
11 the government would use had you elected to proceed to trial  
12 on this?

13 THE DEFENDANT: Yes, she has, Your Honor.

14 THE COURT: Are you satisfied with her advice and  
15 representation?

16 THE DEFENDANT: Yes, I am.

17 THE COURT: Okay. Now, you have a copy of the  
18 Information; is that correct?

19 THE DEFENDANT: Yes.

20 THE COURT: And I think you just indicated you've  
21 read it and you've discussed it with Miss Crouse; right?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: And did she explain to you the maximum  
24 possible penalties that would be involved upon a conviction of  
25 the Information?

1           THE DEFENDANT: Yes, she did, Your Honor.

2           THE COURT: Now, the important distinction here is  
3 the difference between proceeding by Information and the  
4 difference between proceeding by a grand jury presentation.

5           If, in fact, the Information is not followed through with  
6 today, the government certainly could present the case to a  
7 grand jury and seek to obtain what's called an Indictment  
8 against you. A grand jury is composed of at least 16 people,  
9 not more than 23. In order for there to be an Indictment, at  
10 least 12 of those people seated must find that, based upon  
11 what they've heard in the proceedings, there is probable cause  
12 to believe that a crime has been committed in order for them  
13 to return an Indictment against you.

14          Do you basically understand that?

15           THE DEFENDANT: Yes, I do.

16          THE COURT: All right. And if you do not wish to  
17 waive your right to have the case proceed by Information --  
18 excuse me. If you do not wish to waive your right to have the  
19 case presented by Indictment, a presentation to the grand jury  
20 will occur and the case could proceed in that fashion.

21          Do you understand that?

22           THE DEFENDANT: I do.

23          THE COURT: Has anybody made any particular promises  
24 or threats, other than what's contained in the understanding  
25 you've reached with the government, to induce you or overbear



1 your will in terms of whether to proceed by Indictment or  
2 Information?

3 THE DEFENDANT: No, Your Honor.

4 THE COURT: All right. Now, whichever way you  
5 proceed, either by Indictment or Information, there are  
6 certain constitutional rights that you have, and nobody can  
7 make you give those up. Whether you proceed by Information or  
8 Indictment, you have the right to enter a plea of not guilty  
9 and to proceed to a jury trial or a bench trial. Do you  
10 understand that?

11 THE DEFENDANT: I do, Your Honor.

12 THE COURT: I understand that the way this is shaped  
13 up that's not going to happen, but if it did and you said,  
14 "Judge, I'm not guilty, and I want the government to prove the  
15 case," then they would have to do that beyond a reasonable  
16 doubt, and it would occur in this room with 12 jurors seated  
17 to hear the evidence against you. Do you understand that?

18 THE DEFENDANT: Yes, I do, Your Honor.

19 THE COURT: All right. You have the right to be  
20 represented by competent counsel, which Miss Crouse certainly  
21 is. What lawyers do often in criminal defense situations is:  
22 they can make an opening statement; they can make a closing  
23 argument; they could challenge whatever documents or exhibits  
24 Miss Glatfelter wished to put forward. But I think the most  
25 important thing that criminal lawyers do in defending their

1 clients is that anybody that would testify against you, they  
2 would ask them questions under oath. We call that cross-  
3 examination.

4 Are you familiar with that process, generally?

5 THE DEFENDANT: I am.

6 THE COURT: Okay. If you thought there were  
7 witnesses that could provide helpful information or favorable  
8 testimony and you properly got them served with subpoenas, the  
9 Marshals would compel those people to show up at trial and  
10 testify. Do you understand that?

11 THE DEFENDANT: I do, Your Honor.

12 THE COURT: Okay. Everybody charged with an offense  
13 in the United States has two rights: One is that nobody can  
14 make you admit you committed a crime; and the second one is  
15 nobody could make you testify.

16 Since we're talking about a trial, let's go through the  
17 second one first.

18 We're not going to have a trial as this thing is formed,  
19 but if we did have a trial, Emily could not put you on the  
20 witness stand and ask you questions. The only way that would  
21 happen would be if you and Miss Crouse sat down and had a  
22 conversation and you knowingly, intelligently decided to give  
23 up your right not testify and you took the stand first; and  
24 only after your testimony could the government cross-examine  
25 you. Do you understand that?

1 THE DEFENDANT: I do, Your Honor.

2 THE COURT: Okay. Now, the burden of proof in a  
3 criminal case is beyond a reasonable doubt, which means that  
4 the government has an obligation to prove each and every  
5 material element of the offense charged beyond a reasonable  
6 doubt.

7 In any kind of a case we have, whether it's a civil trial  
8 or a criminal trial, any time the jury takes a break, and this  
9 is throughout the course of the trial, I tell them a couple of  
10 things. I say, "You're not to form or express an opinion or  
11 discuss the case with anyone until you've heard not only all  
12 the evidence but also until you've heard the instructions of  
13 law," which are typically given some before, some during, but,  
14 most importantly, at the end of the case.

15 I tell them all that. All right?

16 In a criminal case, I go a step further. I say, "As a  
17 matter of fact, unless and until you think the government has  
18 proven the case, each element beyond a reasonable doubt, you  
19 have to presume that Mr. Bullar is innocent unless the  
20 government overcomes that presumption after you've all sat in  
21 the back and talked about it."

22 Do you understand that?

23 THE DEFENDANT: I do, Your Honor.

24 THE COURT: Okay. So those are the rights you have  
25 whether you proceed by Information or by Indictment.

1           It's my understanding that you do wish to proceed by  
2 Information; is that correct?

3           THE DEFENDANT: Yes, Your Honor.

4           THE COURT: And Candace, do you have the appropriate  
5 paperwork? Has it already been --

6           MS. CROUSE: I believe Emily has the -- I have the  
7 Information. Is there a waiver?

8           THE COURT: Do you have the waiver?

9           MS. GLATFELTER: No. I thought that -- my  
10 misunderstanding. I thought that the Court did the waiver.

11          THE COURT: Okay.

12          Well, we can grab one; right?

13          COURTROOM DEPUTY: Yeah, from somewhere.

14          THE COURT: Yeah. That's all right.

15          MS. GLATFELTER: I apologize, Your Honor. I would  
16 have brought it in --

17          THE COURT: No. Let's blame it on Crum. She's not  
18 here.

19          Right, Mare?

20          If anybody is listening upstairs and you have a blank  
21 form, you want to run it down? That would be fine.

22          We've got one. Never mind.

23          (The courtroom deputy handed the document to Ms. Crouse.)

24          COURTROOM DEPUTY: It's full of information, if you  
25 just want to sign.

1 THE COURT: Candace, just take a moment and just  
2 review that with Mr. Bullar before we ask questions about  
3 that.

4 Thanks, Mary. That's Crum's fault.

5 THE DEFENDANT: So I just sign?

6 MS. CROUSE: Just sign right here.

7 THE COURT: Thank you.

8 And Candace, you have no objection to us filling in the  
9 case number and all that after the conclusion of the  
10 proceedings; is that correct?

11 MS. CROUSE: That's correct, Your Honor.

12 THE COURT: So I'll stay on you just for a minute.  
13 You've had conversations with Mr. Bullar about this whole  
14 situation; correct?

15 MS. CROUSE: I have, Your Honor.

16 THE COURT: Do you think that you have fully informed  
17 him about his right to have the case presented to a grand jury  
18 and whether or not it would make sense for him at this point  
19 in time to proceed by Information?

20 MS. CROUSE: Yes, Your Honor.

21 THE COURT: Do you think you fully advised him of all  
22 the facts and circumstances surrounding this entire process?

23 MS. CROUSE: Yes, Your Honor, I have.

24 THE COURT: Do you believe that he does wish to  
25 proceed by Information?

1 MS. CROUSE: Yes.

2 THE COURT: Okay.

3 John, question to you now. We've had a conversation about  
4 the difference between proceeding by Information or by  
5 Indictment.

6 And Emily, have I covered everything that I need to in  
7 that regard, do you think?

8 MS. GLATFELTER: Yes, Your Honor.

9 THE COURT: What is your intent at this time? Do you  
10 wish to waive presentation to a grand jury and proceed by  
11 Information, or do you wish to have the case sent to a grand  
12 jury?

13 THE DEFENDANT: I wish to --

14 THE COURT: Proceed by Information?

15 THE DEFENDANT: -- proceed by Information, Your Honor.

16 THE COURT: Okay. To that end, I've been handed a  
17 Waiver of Indictment. It appears to have both your signature  
18 and the counsels' signature and I've watched you guys sign it  
19 in open court. So I will accept the waiver of presentation to  
20 Indictment. I'll ask that we file that with the Court, and I  
21 will accept the waiver.

22 Okay. One of the things we talked about was whether it  
23 was by Information or by Indictment. You have the right to  
24 enter a plea of not guilty and have the case proceed to trial,  
25 or you have the right, of course, to enter a plea of guilty.

1           And what is your pleasure in that regard?

2           I'll ask your counsel first.

3           Ma'am?

4           MS. CROUSE: Mr. Bullar will enter a plea of guilty  
5 to both counts of the Information, Your Honor.

6           THE COURT: Okay.

7           Is that correct, sir, you wish to enter a plea of guilty  
8 to the first count, which is Wire Fraud, and the second count,  
9 which is Money Laundering?

10          THE DEFENDANT: Yes, Your Honor.

11          THE COURT: Okay. Let me go through a couple of  
12 things with you.

13          All right. I misplaced -- all right.

14          Okay. The potential penalty for a violation of -- for  
15 conviction for Wire Fraud is up to 20 years in prison. Do you  
16 understand that?

17          THE DEFENDANT: Yes, Your Honor.

18          THE COURT: There is a potential fine of a quarter of  
19 a million dollars or twice the determined loss or gain,  
20 depending on which side of the coin you look at it, is also a  
21 possibility. Do you understand that?

22          THE DEFENDANT: Yes, Your Honor.

23          THE COURT: If there is any term of imprisonment  
24 that's imposed in this case, it has to be followed by a term  
25 of supervised release. We'll discuss that in a little more

1 detail, but it could be up to three years. Do you understand  
2 that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: In any criminal case where there is a  
5 conviction, whether by plea or by jury trial, there is a  
6 one-hundred-dollar special assessment. As to the first count,  
7 that would be a hundred dollars. Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: All right. Restitution, forfeiture and  
10 all of those things are possibilities. Those are things that  
11 will be determined as we move down the road in this process.  
12 Do you understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: As to Count Two, which is the Money  
15 Laundering charge, which is 18 U.S.C. 1957, that particular  
16 one is up to ten years. Do you understand that?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: There's a potential fine of a quarter of  
19 a million dollars. Do you understand that?

20 THE DEFENDANT: I do, Your Honor.

21 THE COURT: And, again, it could be twice the loss,  
22 twice the gain. Again, it's followed by a term of three  
23 years' supervised release if there is a term of imprisonment  
24 imposed. Do you understand that?

25 THE DEFENDANT: I do, Your Honor.



1           THE COURT:   Okay.   There is also a one-hundred-dollar  
2 special assessment.   So it's 100 for each count in this case,  
3 a total of \$200, as well as the potential restitution and  
4 forfeiture proceedings.   Do you understand all that?

5           THE DEFENDANT:   I do, Your Honor.

6           THE COURT:   Okay.   By statute, a person in my  
7 position, depending on what would be contained in a  
8 presentence investigation, could order these two sentences,  
9 potential sentences, to be run concurrently, which means at  
10 the same time, or, theoretically, they could be run  
11 consecutively, which would be one after the other.   Do you  
12 understand that?

13          THE DEFENDANT:   I do, Your Honor.

14          THE COURT:   Okay.

15          Would now be an appropriate time to discuss other  
16 potential prosecutions, or should we do that later?

17          MS. GLATFELTER:   Whichever the Court desires.

18          THE COURT:   You want to do it now, Emily?

19          MS. GLATFELTER:   Sure.

20          THE COURT:   All right.

21          MS. GLATFELTER:   The Plea Agreement in this case,  
22 which was signed by the defendant on August 1st, 2014 on page  
23 7, also reflects that this is a global agreement between the  
24 United States Attorney's Office, The Southern District of  
25 Ohio, and also the Hamilton County Prosecutor's Office, which

1 a representative has signed the Plea Agreement on page 7.

2 And if you look at paragraph 15 on page 6, that paragraph  
3 provides more information about other prosecutions, and it  
4 says, "Other than the offenses to which the defendant has  
5 agreed to plead guilty, and with the exception of crimes of  
6 violence and crimes against children unknown to this Office or  
7 the Office of the Prosecuting Attorney of Hamilton County as  
8 of the date of this agreement," no other charges will be filed  
9 other than those that the defendant is pleading guilty to  
10 today.

11 THE COURT: Okay.

12 Understanding the possible penalties imposed -- that could  
13 be imposed in this case, and also understanding the fact that  
14 you have chosen to proceed by Information, I'll ask you: How  
15 do you wish to plead to the charges in Count One of the  
16 Indictment, guilty or not guilty?

17 THE DEFENDANT: Guilty, Your Honor.

18 THE COURT: As to Count Two, charges in Count Two,  
19 guilty or not guilty? How do you wish to plead?

20 THE DEFENDANT: Guilty, Your Honor.

21 THE COURT: All right. Now, we talked a little bit  
22 about what the possible sentences were, the maximum possible  
23 sentences which could be imposed by statute. Back in 1984,  
24 Congress passed an act called the Sentencing Reform Act. What  
25 that did was, it tried to -- well, it did put together a

1 uniform system for figuring out sentences in criminal cases  
2 across the federal statutes.

3 So what happens is, is when we complete this case this  
4 morning, at some point you're going to meet with somebody from  
5 the Probation Department. They are going to take a detailed  
6 history from you. They're going to ask you for information  
7 and facts involving the case. Your lawyer should be with you  
8 at any and all times you talk with them. They're also going  
9 to sit down with the government to get their take on the  
10 information. They're going to look at a number of things.

11 The Sentencing Guidelines are used to calculate an  
12 appropriate sentence in criminal cases. For example, in a  
13 drug case, they look at the amount of drugs, are there guns  
14 involved, you know, how many people are involved. In  
15 situations like this, Wire Fraud and Money Laundering, they  
16 will take a look at things like, perhaps, the number of  
17 victims, certainly the amount of money involved, the  
18 complexity of the scheme, and any other number of things that  
19 may be involved in terms of the calculation.

20 What happens is, at the end of the day they write a  
21 report. The report is called a presentence investigation.  
22 Before I ever see the report, a copy in draft form is sent to  
23 the lawyers on both sides. They sit down -- in this case,  
24 Miss Crouse with you, and Miss Glatfelter with whomever in her  
25 office -- and they try to figure out if the report is

1     satisfactory or if they have objections.

2             If they have objections to that report, then they can file  
3     formal objections to it and deal with the probation officer  
4     and try to resolve it. If they cannot resolve those in  
5     informal dealings with the probation officer, then those  
6     objections are carried over to when the final report comes to  
7     me. When we come back at the time of sentencing and if there  
8     are unresolved objections -- and I'll just throw one out. An  
9     example in a case like this might be the amount of loss, the  
10    amount of gain, something like that. If there is confusion  
11    about that, we may have to have an evidentiary hearing, which  
12    could take place at the same time of the sentencing or perhaps  
13    before the sentencing depending on how my conversation with  
14    the lawyers go about the complexity.

15            All right?

16                    THE DEFENDANT: I understand, Your Honor.

17                    THE COURT: Basically, somebody in your position  
18    standing in front of me entering a guilty plea, whether it was  
19    this kind of a case, a drug case, a gun case or anything, and  
20    said, "What's it look like?" I'd say, "I don't have a clue.  
21    I'm not going to have any idea until the presentence  
22    investigation comes back."

23                    This case is slightly different, because in the plea  
24    arrangement itself there's discussions about some of those  
25    various calculations we talked about. As I look at the Wire

1 Fraud count, the parties are agreeing that the Base Offense  
2 Level is a 7 because of the offense. They are also agreeing  
3 that there should be 18 levels added because the amount of  
4 loss is somewhere between two and a half and seven million  
5 dollars. All right?

6 They are also agreeing there are more than ten victims but  
7 less than 50, which adds a different calculation.

8 They're also saying there's other levels. I think four  
9 are added because of the violations of commodities law at the  
10 time of the offense and because you were a commodity pool  
11 operator.

12 They are suggesting a final calculation for an offense  
13 level. All right?

14 In the second count of the Indictment -- excuse me, the  
15 Information, the Engaging in Monetary Transactions, the Money  
16 Laundering, they are saying that the Base Offense Level is the  
17 same from Count One. They're saying that one level is added  
18 because there is a violation of 18 U.S.C. 1957.

19 So the final offense level in that would actually be a 32.  
20 Okay?

21 So what happens then is, they run what's called a Criminal  
22 History. They put a category on you. I'm just going to take  
23 a wild guess that this is probably your first offense, so  
24 you're going to have a Criminal History of I, probably.

25 As a result of all that, there is a computation made by

1 the Probation Department. In this case, the parties are  
2 suggesting that the final offense level range is somewhere  
3 between 87 and 108 months if, in fact, that Criminal History  
4 proves correct. Okay?

5 Now, everybody agree with what I've said so far in terms  
6 of the recommendations?

7 Emily?

8 MS. GLATFELTER: Yes, Your Honor.

9 THE COURT: Candace?

10 MS. CROUSE: Yes, Your Honor.

11 THE COURT: Now, what you have to understand, John,  
12 is that is nonbinding on me. That's a recommendation to me.  
13 What you also need to understand a little bit about me is:  
14 I've been doing this for eight years, and any time the lawyers  
15 have gotten together and made a recommendation like that to  
16 me, I've always followed it. Okay?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: But I don't have to. You have to  
19 understand that.

20 THE DEFENDANT: I understand that, Your Honor.

21 THE COURT: Okay. Because this is a felony, once the  
22 conviction is finalized you're going to be what's called a  
23 prohibited person, which means there is going to be some other  
24 ramifications such as: you're not going to be able to own,  
25 use or possess any type of firearm or dangerous ordnance;

1 there may also be certain things that come up in terms of  
2 maybe debarment from certain licenses you may have as a result  
3 of your investment business; there may be other things that  
4 come up.

5 Anytime in the future you're filling out a questionnaire  
6 which has that box on it "Have you ever been convicted of an  
7 offense that's punishable by a year or more in prison?" you're  
8 going to have to check that off as affirmative.

9 There may be other things that may come up down the road.  
10 There may be civil lawsuits, whatever. A lot of that is out  
11 of my control, but I just want you to be aware that there are  
12 other possible ramifications.

13 Do you understand all of that?

14 THE DEFENDANT: I do, Your Honor.

15 THE COURT: Candace, do you think you've gone over  
16 the panoply of what you think may possibly flow from this?

17 MS. CROUSE: We have, Your Honor.

18 THE COURT: Okay. Since there is a term of  
19 imprisonment that's contemplated by the arrangement which, in  
20 all likelihood, I will follow, it has to be followed by a term  
21 of supervised release. I've previously described and  
22 discussed with you that that term of supervised release is, in  
23 all likelihood, three years.

24 There's not a recommendation on that, is there? I didn't  
25 check.

1 MS. CROUSE: A recommendation of supervised release?

2 THE COURT: Right.

3 MS. CROUSE: No, Your Honor.

4 THE COURT: Okay. So that's up to me.

5 MS. CROUSE: Yes.

6 THE COURT: Okay.

7 In any event, what will happen is, the rules for  
8 supervised release are the same as they are for probation in  
9 the Southern District, which means you'll sit down with an  
10 officer after you're released, they'll go over these rules,  
11 which include not committing any other federal, state or local  
12 offenses. There may be other things. They will have the  
13 ability to do things like do an alcohol or drug assessment to  
14 see if there's anything going on. Sometimes there's things  
15 like gambling that occur in cases such as this.

16 Anyway, they'll have the ability to do a fairly detailed  
17 look inside your head to make sure that everything is okay.  
18 But if they come up with any recommendations, if they think  
19 there's a drinking problem, a drug problem or a gambling  
20 problem or anything like that, they are allowed to order  
21 whatever further treatment or examinations they think are  
22 appropriate.

23 But at the end of the day, John, you're going to be living  
24 under somebody else's rules for that period of time. Okay?

25 THE DEFENDANT: I understand, Your Honor.



1           THE COURT: If you violate any of those rules and  
2 regulations, an officer will sit you down. Sometimes they'll  
3 talk to you directly or talk to your lawyer and see if they  
4 can work it out if it's not a big deal. But if it's something  
5 like a new criminal offense or something of a serious nature,  
6 they will often file a violation report, which means that  
7 you've got to come back in front of me. We could do two  
8 things: first, figure out if, in fact, you did violate any of  
9 the terms and conditions; and, second, if you did, what do I  
10 do with you.

11           If it's a serious enough thing such as a new criminal  
12 charge or a theft case, something like that, you could  
13 theoretically go back to prison for up to the full term of  
14 supervised release, which would be three years. Okay?

15           THE DEFENDANT: I understand, Your Honor.

16           THE COURT: All right.

17           Give me just a second, guys.

18           (Pause in proceedings.)

19           Candace, I'm sure you discussed with your client how the  
20 restitution may be figured and worked out in this situation.

21           But unless it's agreed upon by the lawyers, then there is  
22 going to be some type of a hearing and I'll have to figure  
23 that out myself. There could be forfeiture claims as a result  
24 of trying to track certain items of property that the  
25 government feels are ill-gotten gains or the result of ill-

1 gotten gains, and there may be some tax liability which  
2 results from the IRS, if they're involved in this. I have no  
3 idea if they are or not.

4 In any event, a number of those things may have to  
5 transpire before you get a final resolution of the case.  
6 Okay?

7 THE DEFENDANT: I understand, Your Honor.

8 THE COURT: Emily, do you want to cover anything in  
9 the Plea Agreement that you think either needs to be repeated  
10 or amplified; or if there are significant terms you think I've  
11 left out, do you want to just put them on the record now?

12 MS. GLATFELTER: Your Honor, just two things that I'd  
13 like to go over and make sure that the record is clear.

14 Page 4, paragraph 9, there is "Obligations of the U.S.  
15 Attorney's Office." It says, "At the time of sentencing, the  
16 government will recommend a sentence within the stipulated  
17 final offense level range, that is, 87 to 108 assuming the  
18 defendant has a Criminal History Category of I."

19 That's a provision for the United States in terms of our  
20 recommendation, not the defendant, who remains free to request  
21 whatever sentence he deems appropriate.

22 THE COURT: So it's not a (c) (1) (C) type of  
23 situation?

24 MS. GLATFELTER: Correct.

25 THE COURT: It's just a pure --

1 MS. GLATFELTER: Correct.

2 THE COURT: Got it. Thank you.

3 MS. GLATFELTER: And then paragraph 11, which is the  
4 Waiver of Appeal: The defendant is waiving the right to  
5 appeal the sentence imposed, including the right conferred by  
6 18 U.S.C. 3742(a). However, he reserves the right to appeal  
7 the sentence if we appeal, the United States meaning, or if  
8 the Court imposes an illegal sentence such as a sentence above  
9 the statutory maximum. And the appeal waiver is not construed  
10 to bar a claim of ineffective assistance or prosecutorial  
11 misconduct.

12 THE COURT: So John, let me back up and correct what  
13 was a misstatement on my part before. So the situation is  
14 that the government has agreed that as long as your Criminal  
15 History Category is where they think it's going to check out,  
16 that that does not bar you and your lawyer for asking for a  
17 waiver type of outcome in the case. Is that fair?

18 THE DEFENDANT: I understand that, yes, sir.

19 THE COURT: Emily, is there anything else? Do we  
20 cover the bit on the particular forfeiture obligations?

21 MS. GLATFELTER: The forfeiture is a state  
22 forfeiture, and they are going to handle the proceedings  
23 related to that. It's just that in the Plea Agreement the  
24 defendant is agreeing to forfeit that. I believe the parties  
25 have agreed upon a specific loss figure and know the specific

1 restitution amount, so there shouldn't be any proceedings or  
2 related litigation regarding that as well. So we've already  
3 exchanged numbers, and they know what the restitution number  
4 will be.

5 THE COURT: The other thing which I started to talk  
6 about as I was going through the constitutional rights, John,  
7 I covered the first part but not the second part. I had  
8 indicated that in a typical situation nobody can make you  
9 admit you committed an offense. Because you guys are  
10 proceeding by Information, there's an agent seated next to  
11 Miss Glatfelter, and I assume that either he or Miss  
12 Glatfelter is going to read into the record a Statement of  
13 Facts.

14 After they read that Statement of Facts, I'm going to ask  
15 you if it's accurate in all ways. If you say, "Yes, it is,"  
16 then that means you are admitting you committed the offenses  
17 set forth in the Statement of Facts, which I anticipate will  
18 be both counts of the Information.

19 Do you understand that?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: Okay. And you're willing to give up all  
22 those rights we talked about and continue in the process; is  
23 that correct?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Okay. Other than what's contained in the

1     Plea Agreement and the representations made by Miss Glatfelter  
2     and what I've been discussing, did anybody make you any other  
3     promises or tell you the case would be treated a certain way  
4     in order to get you to plead guilty?

5             THE DEFENDANT:   No, Your Honor.

6             THE COURT:   Okay.  Did anybody overbear your will and  
7     force you to sign this Plea Agreement?

8             THE DEFENDANT:   No, Your Honor.

9             THE COURT:   Okay.  By the same token, other than the  
10    fact that apparently there were potential other prosecutions  
11    out there and perhaps potentially more counts than are  
12    contained in the Information, other than the fact that that  
13    prosecution possibility is out there and the government could  
14    seek to prosecute you to the fullest extent of the law, did  
15    anybody levy any kind of undue force, pressure or coercion on  
16    you such that they overbore your will and that this agreement  
17    is not voluntarily on your part?

18            THE DEFENDANT:   No, Your Honor.

19            THE COURT:   Okay.

20            Candace, could you direct your client's attention to page  
21    -- I believe it's page 7 of the Plea Agreement?  I'm going to  
22    ask if that's his signature there.

23            MS. CROUSE:   We have it open, Your Honor.

24            THE DEFENDANT:   Yes, Your Honor.

25            THE COURT:   And did you sign that because that is the

1 entire understanding that you believe you have reached with  
2 the United States Attorney and its office?

3 THE DEFENDANT: I did, Your Honor.

4 THE COURT: Candace, I recognize your signature, so  
5 does that mean you agree with that statement as well?

6 MS. CROUSE: I do, Your Honor.

7 THE COURT: Give me one second, guys.

8 (Pause in proceedings.)

9 The one thing which I don't think -- well, I think I  
10 covered it as a practical matter, but as a technical legal  
11 matter: The presentence investigation is a starting point for  
12 the decision on what the actual calculation would be, John.  
13 And up until about five or six years ago, if the probation  
14 officer that wrote the report had done the mathematical  
15 calculation correctly and correctly considered the factors, I  
16 would have been obligated to impose a sentence in that range.  
17 They give a range on the low end and a range on the high end.

18 Since then, the Supreme Court has said that it's the  
19 starting point for people in my position in terms of  
20 considering a sentence. I can consider other factors, which  
21 are known as the 18 U.S.C. 3553 factors, take a look at those.  
22 If I thought it was appropriate and could justify it with  
23 facts in the record, I could actually impose a sentence  
24 which was tougher or much more serious than the calculations  
25 as long as I didn't go above the statutory maximum that Miss

1 Glatfelter spoke about earlier, and I could go below the  
2 sentence if I thought it was appropriate, again if I could  
3 justify it by facts in the record.

4 In any event, as I have explained to you, the starting  
5 point is going to be what's in the Plea Agreement and then  
6 what you and your lawyer tell me at the time of sentencing.  
7 Okay?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Okay.

10 Emily, how do you want to handle the Facts? Are you going  
11 to read it or is the agent?

12 MS. GLATFELTER: The agent is.

13 THE COURT: Okay.

14 Agent, you can work wherever you're more comfortable,  
15 either seated at the table, or if you wish to stand perhaps  
16 the podium is an easier place so you don't have to bend over.

17 Do you want the agent sworn, Candace?

18 MS. CROUSE: That's not necessary, Your Honor.

19 THE COURT: Okay. Thanks.

20 Mary, anything else I need to do, though?

21 COURTROOM DEPUTY: No, no. You're good.

22 THE COURT: Agent, if you could do me a favor and  
23 state your full name and spell your last name so that Maryann  
24 can take it down, and then proceed through the Statement of  
25 Facts?

1           THE AGENT:   Gordon Amegboh, A-M-E-G-B-O-H.

2           THE COURT:   Thank you.

3           AGENT AMEGBOH:   Beginning in or about 2003 through  
4   September of 2013, in the Southern District of Ohio and  
5   elsewhere, the defendant, John R. Bullar, perpetrated a scheme  
6   to defraud investors by soliciting millions of dollars under  
7   false pretenses, failing to invest investors' funds as  
8   promised, and misappropriating and converting investors' funds  
9   to Bullar's own benefit without the knowledge or authorization  
10   of the investors, using interstate wire communications to  
11   execute the scheme to defraud.

12          Bullar resided and worked in the Southern District of  
13   Ohio. Bullar was the sole owner and operator of Executive  
14   Management Advisors, LLC, which had its principal place of  
15   business in Cincinnati, Ohio. Bullar was also the sole owner  
16   and operator of Priapus Group, LLC.

17          Bullar marketed himself as someone experienced in the  
18   financial services industry and who was successful in  
19   investing in commodity futures. Since at least 1998, Bullar  
20   offered investment opportunities to investors in the Southern  
21   District of Ohio and elsewhere through his company, EMA.

22          To persuade individuals to invest with him, Bullar  
23   frequently made numerous false representations. For example,  
24   Bullar told potential clients that he never had a losing  
25   quarter. Bullar also offered potential investors a false



1 sense of security by telling potential clients that he,  
2 himself, was the biggest investor in EMA. At times, Bullar  
3 made it seem as though he was doing a favor for investors by  
4 telling them that he would manage their funds even though it  
5 was below his minimum level of investment.

6 The majority of Bullar's investors were friends, family  
7 members and fellow church members. Bullar told his clients  
8 that he had invested their money in precious metals, gold,  
9 silver, bonds and foreign currency, and that he made money  
10 based on the volatility of the market regardless of whether  
11 the market was up or down.

12 Bullar told clients that he preferred to keep the number  
13 of investors small so that he could fly under the radar.  
14 Bullar also told clients that he had a computerized algorithm  
15 system that monitored the market for patterns and alerted him  
16 to potential losses. Bullar told investors that although he  
17 had been offered millions of dollars for the system, he would  
18 not sell it because he could make more money using the system  
19 rather than selling it.

20 These representations were false, however, because, in  
21 reality, Bullar had invested only a small amount of the money  
22 that he had received from clients, using the vast majority of  
23 the money to pay other investors and his own personal  
24 expenses.

25 To induce current clients to keep investing and, thus,

1 conceal his fraudulent investment scheme, Bullar provided  
2 investors with quarterly statements purporting to show their  
3 account balances. These statements often showed substantial  
4 gains over a short period of timing. For example, Investor A  
5 wrote checks to Bullar between March of 2013 and April 30th,  
6 2013, totaling \$181,533.99. According to Investor A's  
7 quarterly statement dated June 28th, 2013, Investor A's  
8 account balance was \$229,276.66, a gain of approximately 26  
9 percent in less than three months. The quarterly statements,  
10 such as Investor A's, were false, showing positive account  
11 balances and fictitious earnings when, in fact, the money had  
12 not been invested as promised.

13 Although Bullar collected over \$8.7 million from investors  
14 between mid-2006 and September of 2013, only \$580,500 was sent  
15 to brokers for trading. The remaining 8.1 million was never  
16 invested at all. The small fraction of investor money that  
17 Bullar actually sent to brokers for trading failed to generate  
18 profits, and the money was either lost via trading or later  
19 withdrawn by Bullar. Yet, based upon the fictitious earnings  
20 reported in the fraudulent statements, the investors continued  
21 to invest more money with Bullar.

22 In addition, investors actually paid taxes on the  
23 fictitious earnings. Bullar caused Forms 1099 to be issued to  
24 investors for tax purposes, which reported the fictitious  
25 gains. Investors relied on these documents to file their tax

1 returns, and investors paid taxes on the fictitious gains  
2 reported to them.

3 Bullar furthered his scheme by creating an appearance of  
4 legitimacy. For example, Bullar created an investment blog  
5 for his clients, *www.emafutures.com*, which he updated  
6 regularly, sharing various articles and reports about the  
7 market. Bullar outfitted his home office, which investors  
8 frequented, with a television and three computer monitors to  
9 give investors the impression that he was constantly  
10 monitoring the market.

11 Bullar's home also gave investors the impression that he  
12 was a successful trading advisor. His expansive five-bedroom,  
13 five-bathroom house had professional landscaping, which was  
14 paid for with investor funds. Bullar also purchased an  
15 adjoining lot with investor money and used investor money to  
16 remodel the cabin on the lot, install a swimming pool and  
17 outdoor kitchen, and pay for professional landscaping on the  
18 lot. Bullar further perpetuated his image as a successful  
19 advisor by entertaining groups of investors at his home,  
20 treating investors to lavish dinners and paying for some  
21 investors to take vacations with him.

22 It was further part of the scheme to defraud that from  
23 mid-2006 to September 2013, Bullar received over \$8.7 million  
24 from investors. Bullar received investor funds through  
25 interstate wire transfers and through mailings delivered by

1 the United States Postal Service. The vast majority of these  
2 funds were never invested in anything. Rather, the funds were  
3 paid to other investors in the form of principal payments  
4 and/or gains, or spent by Bullar to pay for personal expenses.

5 For example, Individuals D and E invested money with  
6 Bullar. On or about September 26, 2011, Bullar obtained a  
7 500,000-dollar wire transfer payment from Investor D. A few  
8 days later, Bullar also obtained a \$200,085.05 wire transfer  
9 payment from Investor E. Both wire transfers were deposited  
10 into the EMA bank account at First Financial Bank. Bullar was  
11 the sole signatory on the EMA account. On November 30th,  
12 2011, Bullar wire-transferred \$300,000 of the funds from the  
13 EMA account to the checking account of Priapus Group, LLC, at  
14 First Financial Bank, which he controlled. On or about the  
15 same day, Bullar then wire-transferred \$297,948.52 of the  
16 funds from the Priapus Group, LLC account to Riverview Title  
17 Agency, Inc., for the purchase of the property adjoining his  
18 personal residence.

19 Besides using investor money to pay other investors,  
20 Bullar used the money to pay for the mortgage on his home,  
21 home renovations, the purchase of property adjoining his  
22 residence, a swimming pool, professional landscaping, outdoor  
23 entertaining spaces, vacations, country club dues, boats, jet  
24 skis, sports tickets, and vehicles, among other things.

25 Bullar's investment scheme involved more than 10 victims

1 but less than 50 victims. The loss amount resulting from  
2 Bullar's investment scheme exceeded \$2,500,000 but was less  
3 than \$7 million. At the time of the offense, Bullar was a  
4 commodities trading advisor or commodity pool operator.

5 THE COURT: All right.

6 Candace, can you direct your client's attention to page 10  
7 of the Plea Agreement, which is the last page of the Statement  
8 of Facts?

9 MS. CROUSE: Yes, Your Honor.

10 THE COURT: John, similar to the question I asked  
11 about the Plea Agreement itself, this appears to contain your  
12 signature; is that correct?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: Did you sign this because what's  
15 contained on that document and what the agent just read into  
16 the record is true and accurate?

17 THE DEFENDANT: I did, Your Honor.

18 THE COURT: Is it wrong in any way I should know  
19 about?

20 THE DEFENDANT: No, sir.

21 THE COURT: Does that mean you're offering to plead  
22 guilty to the two counts as set forth in the Information  
23 because you did, in fact, commit those offenses?

24 THE DEFENDANT: Yes, Your Honor.

25 MS. CROUSE: Your Honor, there was a couple of

1 clarifications that we wanted to make regarding the Statement  
2 of Facts. This is just for clarification; it really does  
3 nothing to affect the plea here.

4 THE COURT: Is there anything that needs to be noted  
5 on the statement and initialed by everybody, or is it just --

6 MS. GLATFELTER: No, Your Honor. I think we had both  
7 agreed to -- we just wanted to clarify two facts in the Plea  
8 Agreement.

9 THE COURT: That's fine. I will note for the record  
10 counsel alerted me to that fact before we started, and I just  
11 forgot.

12 MS. GLATFELTER: Sure. The money that was used to  
13 improve the property or the residence, the Bullars' residence,  
14 was from a joint banking account. Investor money was  
15 deposited into a joint banking account that he shared with his  
16 wife, and then that money was used to pay the mortgage or pay  
17 for improvements on the property. We wanted to clarify that.

18 The second thing was to verify that the property that was  
19 purchased where it says "the adjoining property" -- or, I'm  
20 sorry, "the property adjoining his personal residence," we're  
21 talking about the property that has the cabin currently  
22 located on that property.

23 THE COURT: Am I correct in assuming this may have  
24 some import down the road, but in terms of today's proceeding  
25 just to state it is sufficient enough?

1 MS. CROUSE: Yes, Your Honor. It really does not  
2 affect Mr. Bullar because he has relinquished all of his  
3 rights in the home. It's just for clarification because the  
4 home that he lived in as referred to in the Statement of Facts  
5 was not in his name, it was in his wife's name and his  
6 mother's name. So the -- Emily is correct that money from  
7 investors was put into a joint bank account along with the  
8 wife's money that she earned, and that money was used to pay  
9 the mortgage on that home.

10 So just to be clear on, kind of, where investor funds  
11 went, and investor funds were, in fact, used to purchase the  
12 cabin on the -- and the adjoining lot, which is --

13 THE COURT: There's nothing I'm going to be asked to  
14 do today regarding any of that stuff?

15 MS. CROUSE: No, Your Honor.

16 THE COURT: All right. Candace, do you believe that  
17 I've adequately explained to your client his constitutional  
18 rights, his choice of Indictment versus Information, and  
19 adequately explained to him the Sentencing Guidelines and what  
20 the possibilities are?

21 MS. CROUSE: Yes, Your Honor.

22 THE COURT: John, in light of all the conversations  
23 we've had about your rights, about the various things I've  
24 just spoken about, Indictment versus Information, the  
25 Sentencing Guidelines, I'll ask you for the final time: How

1 do you wish to plea to the charge as set forth in the first  
2 count of the Information, which is the Wire Fraud charge,  
3 18 U.S.C. 1343, guilty or not guilty?

4 THE DEFENDANT: Guilty, Your Honor.

5 THE COURT: In light of the same rights we've been  
6 talking about, the same presentence investigation report we  
7 talked about, the Sentencing Guidelines, the Plea Agreement,  
8 I'll ask you: How do you wish to plea to the charge set forth  
9 in Count Two of the Information, which is the Engaging in  
10 Monetary Transactions from Property Derived from Specified  
11 Unlawful Activity, typically referred to as Money Laundering,  
12 in violation of 18 U.S.C. 1957, guilty or not guilty?

13 THE DEFENDANT: Guilty, Your Honor.

14 THE COURT: Okay.

15 Based upon my observation of the defendant in court today,  
16 his appearance and the responsiveness that he has shown in  
17 giving answers to the questions I've been asking him, I'm  
18 satisfied on a number of points:

19 First, when he knowingly, intelligently and voluntarily  
20 gave up his right to have the case presented by way of grand  
21 jury and chose to proceed by Information.

22 And we will docket that as I previously said once the case  
23 numbers are filled in.

24 Also, he is in full possession of his faculties. He is  
25 not suffering from any apparent physical or mental illness



1 which affects his ability to understand the proceedings we're  
2 engaged in or the communication and contact he's had with  
3 counsel.

4 He is not under the influence of any kind of narcotics or  
5 alcohol today.

6 He does understand the proceedings in which we are all  
7 engaged, as well as the nature and the meaning of the charges  
8 as set forth in both counts of the Information.

9 We've reviewed extensively the potential consequences of  
10 his plea of guilty to the Information, and he is aware,  
11 obviously, of negotiations undertaken on his behalf which  
12 resulted in the Plea Agreement, which I have discussed with  
13 him.

14 Therefore, I find that he is fully competent and capable  
15 of entering an informed plea, that he has waived his right to  
16 proceed by Indictment, and he knowingly, intelligently and  
17 voluntarily did that.

18 The plea of guilty in this case is also a knowing and  
19 voluntary plea for each count supported by an independent  
20 basis in fact which contains each of the essential elements as  
21 set forth in the offense charged in both the first count and  
22 the second count of the Information, all of which occurred in  
23 the Southern District of Ohio.

24 Since it's not a (c) (1) (C), I can go ahead and accept the  
25 plea and make a finding of guilty; correct?

1 MS. CROUSE: Correct, Your Honor.

2 THE COURT: All right. So I'll accept the plea and  
3 make a finding of guilty.

4 The next step in the process is going to be that  
5 presentence investigation that we have been talking about.  
6 But before we adjourn for today, a couple of things. I did  
7 note that there were some issues in terms of some medications  
8 and things like that. Where does that stand now? Are you  
9 doing okay?

10 THE DEFENDANT: I am, Your Honor.

11 THE COURT: All right. Is there anything in terms of  
12 your own health, whether it's physical or mental, that I  
13 should be concerned about?

14 THE DEFENDANT: No, sir.

15 THE COURT: Okay.

16 Candace, you have had conversations. Would you also agree  
17 with that?

18 MS. CROUSE: I agree, Your Honor.

19 THE COURT: Emily, is there anything from the  
20 government in regards to potential bond in this case, or may I  
21 just go forward myself?

22 MS. GLATFELTER: Your Honor, we don't have anything  
23 to add in addition to the report issued by Pretrial because  
24 the defendant came here voluntarily today, and he has been in  
25 contact with his counsel while we have been negotiating this

1     Plea Agreement. We are satisfied with the bond conditions  
2     suggested by Pretrial.

3             THE COURT: Okay. And we'll have the appropriate  
4     paperwork to fill out, I believe, in just a moment.

5             In any event, it's going to be the order of the Court that  
6     you will be released on your own recognizance. There are  
7     going to be certain conditions that have to be followed.

8             Number one, you'll meet with Pretrial Services, and  
9     they'll set up some kind of reporting schedule to check in and  
10    see what's going on.

11            Number two, if you have any kind of contact with law  
12    enforcement, even if it's something trivial, report that to  
13    Pretrial Services first. It's better if they find out from  
14    you rather than from a computer printout.

15            If there is anything involving any medication needs or  
16    anything like that, you'll have to follow the recommendation  
17    of Pretrial.

18            And in order to ensure your safety and the safety of those  
19    around you, if they ask for a mental health evaluation or a  
20    specific treatment, then you'll have to follow that in the  
21    interim. Is that okay?

22            THE DEFENDANT: Yes, Your Honor.

23            THE COURT: Okay. You have had a history of  
24    sometimes, I believe, traveling to Mexico to places. I  
25    believe you have a passport still. Do you have that?

1           THE DEFENDANT: I do, Your Honor.

2           THE COURT: Could we surrender that to the Clerk's  
3 Office at this time? They'll take care of that.

4           Obviously, John, you're not to take any steps to go around  
5 that like trying to get a new passport or something like.

6           MS. CROUSE: Your Honor, would you like me to  
7 surrender it here or walk it to the Clerk's Office?

8           COURTROOM DEPUTY: Clerk's Office.

9           MS. CROUSE: Okay, Clerk's Office. Will do.

10          THE COURT: All right. Is there anybody from  
11 Pretrial here?

12          MS. COOKE: Yes.

13          THE COURT: Oh, yeah, in the back. Anything else you  
14 think I need to include at this time?

15          MS. COOKE: No, not at this time, Your Honor.

16          THE COURT: Okay. Have you met with him before?

17          MS. COOKE: I have met with him before, and I'll meet  
18 with him after court.

19          THE COURT: Okay. Great. In terms of processing, I  
20 think he has to go to the Marshal Service to have all that  
21 done, which takes whatever, but I think --

22          Mary, can he sign the bond papers first?

23          COURTROOM DEPUTY: Yes.

24          THE COURT: Okay.

25          And you'll walk him down to the U.S. Marshal Service for

1 that?

2 MS. CROUSE: I will.

3 THE COURT: Okay. So I guess he goes there, and  
4 then he goes down to Pretrial; correct?

5 MS. COOKE: Correct, Your Honor.

6 THE COURT: Okay.

7 Emily, is there anything else?

8 MS. GLATFELTER: I would just like to recognize that  
9 there are numerous victims who are investors here present in  
10 the courtroom today, and I know that they are interested in  
11 addressing the Court, either by written letter -- in writing  
12 or speaking at sentencing. So I just wanted Your Honor to  
13 know that they are present here today in the courtroom.

14 THE COURT: Okay. And, obviously -- actually, if  
15 they can get contact information perhaps from Pretrial as to  
16 where to address anything they may want to put in writing,  
17 that goes -- usually --

18 I mean, when they write me a letter, does it go to the  
19 Clerk's Office, I guess? How does that work, do you know?

20 COURTROOM DEPUTY: Judges do it differently. I think  
21 that they should all go through Probation.

22 THE COURT: Okay. So any information that anyone has  
23 in terms of what they think I should know regarding the  
24 situation and they want to put it in writing, then they should  
25 submit that to the Probation Department, and that will get

1 included in the presentence investigation.

2 And I suppose if they would like to speak at the time of  
3 sentencing, they should alert the United States so you have a  
4 handle on that?

5 MS. GLATFELTER: Yes. We'll take care of that. If  
6 they -- if it's easier to submit the letters, we can take  
7 those letters and put them in a package to Probation, too. So  
8 if it's confusing at all, we're happy to do that.

9 THE COURT: Sure.

10 (The Court privately confers with the courtroom deputy.)

11 THE COURT: Thank you very much.

12 Okay. Anything else that needs to be brought to my  
13 attention at this time?

14 MS. CROUSE: No, Your Honor. I think that's it.

15 THE COURT: Emily?

16 MS. CROUSE: You don't set your sentencing dates  
17 until after the presentence report is disclosed; right?

18 THE COURT: No. Actually, I don't set them anyway;  
19 Crum does.

20 MS. CROUSE: Okay.

21 THE COURT: Normally, it's six to eight weeks,  
22 something like that. I don't know if this will be faster or  
23 sooner. I have no idea. We'll see what happens. And I will  
24 be in contact -- depending on what's in the PSI and whether or  
25 not there is going to be the need for an evidentiary hearing

1 regarding things like loss, I will be in contact with both  
2 lawyers between now and whenever to figure out the most  
3 expeditious manner, so --

4 Emily, is there anything else?

5 MS. GLATFELTER: No, Your Honor. Thank you.

6 THE COURT: Candace, anything else?

7 MS. CROUSE: That's it. Thank you, Your Honor.

8 THE COURT: Any questions you need to ask me at this  
9 point in time, John?

10 THE DEFENDANT: No, Your Honor.

11 THE COURT: Okay. All right.

12 So we'll stand in recess.

13 COURTROOM DEPUTY: All rise. This court is now in  
14 recess.

15 THE COURT: Thanks, everybody.

16  
17 (The proceedings concluded at 2:50 p.m.)

18  
19 C E R T I F I C A T E

20  
21 I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM  
22 THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

23  
24 S/MARYANN T. MAFFIA, RDR

25 Official Court Reporter